



STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

## GAMBLING CONTROL COMMISSION

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# TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION

## NOTICE OF PROPOSED RULEMAKING

### Chapter 10 – Discipline, Hearings, and Decisions

The California Gambling Control Commission (“Commission”) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

**PROPOSED REGULATORY ACTION:** The Commission proposes to adopt sections 12550, 12552, 12554, 12556, 12558, 12560, 12562, 12564, 12566, 12568, and 12572 of Title 4 of the California Code of Regulations, concerning discipline (via accusations and hearings) of licensees, registrants, permit holders, or holders of findings of suitability or other approvals, settlements, and the adoption of precedential decisions.

**PUBLIC HEARING: April 20, 2006**

The Commission will hold a public hearing starting at 10 a.m. on Thursday, April 20, 2006, at 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231. The room is wheelchair accessible. Please call Lisa King, Assistant to the Commission, at 916-263-0493 or TDD 1-800-345-4275, to request any special accommodations for persons with disabilities. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest.

**WRITTEN COMMENT PERIOD: March 3, 2006 through April 20, 2006**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period. To be considered for summary and response, all written comments must be received no later than 5:00 p.m., April 20, 2006 (the day of the public hearing).

Written comments for the Commission’s consideration should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission,  
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;  
Fax: 916-263-0452, E-mail: [hhoganson@cgcc.ca.gov](mailto:hhoganson@cgcc.ca.gov)

## AUTHORITY AND REFERENCE

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions (“B & P”) Code sections 19800--19980. In particular, B & P Code sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19912, 19914, 19920, 19922, 19924, 19930, 19931, 19942, 19971, and 19984.

The reference citations are as follows: the proposed regulations implement, interpret, or make specific B & P Code sections 19824, 19840, 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19912, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941, and 19942, and Government Code section 11425.60.

## INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

Under the Gambling Control Act, the California Gambling Commission has the authority to discipline the Commission’s regulated community, which includes licensees, registrants, and permit holders, as well as findings of suitability and approval. Pursuant to the Administrative Procedure Act, the Commission is promulgating disciplinary guidelines so that consistent and uniform administrative penalties are available in order to encourage and reinforce voluntary compliance with the law. These regulations provide for protection of the public, notice to the industry of how violations of law will be handled by the Commission, and procedures and guidelines to ensure that discipline is administered in a fair, reasoned, and consistent fashion, in a manner authorized by law.

Increased or decreased discipline may be recommended based on facts of individual cases where supported by aggravating or mitigating circumstances.

The Administrative Procedure Act also allows for the adoption of precedential decisions; these regulations clarify how that will be handled at the Commission.

## DISCLOSURES REGARDING THE PROPOSED ACTION

**Mandate on local agencies and school districts:** These regulations do not impose a mandate on local agencies or school districts.

**Cost or savings to any state agency:** None.

**Cost to any local agency or school district that must be reimbursed in accordance with Government Code section 17561:** None

**Other non-discretionary cost or savings imposed upon local agencies:** None

**Cost or savings in federal funding to the state:** None

**Cost impact on representative private person or business:** A licensee or registrant may be liable for penalties and/or costs if found to have violated the law regarding controlled gambling.

**Impact on Business:** The Commission has made an initial determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

**Significant effect on housing costs:** The Commission has made an initial determination that the proposed regulatory action would not affect housing costs.

**Effect on small business:** The Commission has made an initial determination that, in the event that a cardroom is considered a small business, the effect these regulations will have on small business will be minor.

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

## ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Commission has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

## CONTACT PERSONS

Inquiries concerning the substance of the proposed action should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission,  
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231  
Telephone: 916-263-0490, Fax: 916-263-0452, E-mail: [hhoganson@cgcc.ca.gov](mailto:hhoganson@cgcc.ca.gov).

Requests for a copy of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other technical information upon which the rulemaking is based should be directed to:

Pam Ramsay, California Gambling Control Commission,  
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231  
Telephone: 916-263-8111, Fax: 916-263-0499.

## AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting Pam Ramsay at the address or telephone number listed above or accessing the Commission's website at <http://www.cgcc.ca.gov>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Regulations Coordinator or viewed on the website.

## AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the public hearing, the Commission may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of Pam Ramsay at the address indicated above.

The Commission will accept written comments on the modified regulation for 15 days after the date on which it is made available.